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WORLD LARD PRODUCTION AND TRADE, 1968

Lard production in 1968 in the world's major producing countries was estimated at 7,880 million pounds--up 0.8 percent from the 7,820 million produced in 1967 and 7.8 percent from the 1961-65 annual average of 7,310 million.

The European Community (EC), East Germany, Yugoslavia, Taiwan, and the Philippines accounted for most of the gain over 1967. Countries showing declines from 1967 included the United States, Canada, Argentina, Poland, and Japan. Lard production in most countries, except the United States, continues to show larger percentage increases than those for pork indicating heavier market weights and closer trimming of wholesale cuts. The smaller percentage gain in lard production compared with pork production in the United States is indicative of the downward trend in average yields per animal.

Lard production in North America was down almost 1 percent. The declines in the United States and Canada more than offset the small gain recorded for Mexico. Production in the United States totaled 2,062 million pounds, compared with 2,076 million produced in 1967. Production in Canada dropped to 130 million pounds from 137 million in 1967, while output in Mexico rose to 146 million from 144 million in the previous year.

European lard production was estimated at 2,800 million pounds, compared with 2,720 million in 1967. The EC, particularly West Germany, accounted for most of the gain in Western Europe, while East Germany and Yugoslavia accounted for most of the rise in Eastern Europe. Poland and the United Kingdom were the only two countries in this area showing declines from the previous year. Production in the USSR approximated the 1967 figure of 1,860 million pounds.

Production declines in both Argentina and Brazil caused the drop recorded for South America. No significant changes occurred in Africa or Oceania. Production in Asia equaled the previous year's level of 470 million pounds, with the gains recorded for Taiwan and the Philippines offset by the drop in Japan.

World lard production in 1969 is currently expected to show a slight decline from 1968. A drop of about 7 percent is indicated for the United States. Smaller production is also expected in the EC and the USSR. A small gain is forecast for Eastern Europe.

Trade

Lard exports from the major producing countries last year continued upward for the second consecutive year. Total shipments amounted to 810 million pounds--up from 780 million in 1967 but still below the 1961-65 annual average of 850 million. Larger exports from the Netherlands, France, Italy, Belgium, West Germany, Sweden, and Argentina accounted for the gain. Countries showing declines from the previous year included the United States, USSR, Romania, Poland, and Bulgaria.

The United States continues to be the world's largest country exporter of lard. Exports last year totaled 175 million pounds, compared with 189 million in 1967 and the 1961-65 annual average of 462 million.

U.S. Share Continues to Decline. The U.S. share of world exports declined for the fourth consecutive year from 66 percent for 1964 down to 22 percent for 1968. The EC's export subsidy plus the continued weakening of an already depressed world lard price caused by ever-growing supplies of lower priced competitive vegetable and marine oils and other animal fats, prevented any reversal in the continued downward trend despite ample supplies available for export. Even with the lowest market prices since 1940, the United States lost its competitive position in the U.K. market because the EC's internal prices followed the Chicago f.o.b. price more or less, thus maintaining the absolute margin between them. In December 1968, the United States was forced to retaliate with its own export payment program on lard shipments destined to the United Kingdom. The program was initiated only after bilateral consultations with the EC failed and the United Kingdom refused to apply countervailing duties against the EC.

EC lard exports to third countries rose to 307 million pounds from 212 million in 1967, an increase of almost 100 million, virtually all of it destined to the United Kingdom. The sharp rise in the EC's shipments to that market can be attributed directly to its export subsidy. From May 27, 1968, through July 31, 1969, the rate remained unchanged and was equivalent to 3.35 U.S. cents per pound. On August 1, 1969, the rate will be reduced to 2.95 cents. The reason given for this reduction was the rising prices in third countries caused by reduced supplies available for export. The EC's lard exports during 1969 are likely to range from 250 to 275 million pounds because of a decrease in hog slaughter and reduced shipments of hog grease coming in from Eastern Europe and the United States. Imports of hog grease are refined into lard with most of it for foreign shipment.

Lard exports in 1968 from Eastern Europe--Bulgaria, Poland, and Romania--dropped to 76 million pounds, compared with 122 million in 1967 and 136 million in 1966. Poland's exports declined from 60 million pounds in 1966 to 35 million in 1967 and to 13 million in 1968 because of short domestic supplies. Exports from both Bulgaria and Romania were down from the previous year's levels. Also, exports from the USSR dropped to 99 million pounds from 163 million in 1967.

World Imports Down Slightly. Lard imports by the world's principal importers in 1968 totaled 830 million pounds, down slightly from 850 million in 1967. The United Kingdom continued to be the world's largest importer and accounted for 51 percent of the total in 1968. Cuba ranked second, followed by Belgium, the Netherlands, Canada, Mexico, Bolivia, Yugoslavia, Hungary, and West Germany. These 10 countries accounted for almost 90 percent of total world imports last year.

U.K. imports in 1968 totaled 427 million pounds, compared with 414 million in 1967 and 409 million in 1966. The rise for the second consecutive year reflects the steady upward trend in demand for direct consumption. The demand for lard used in the manufacture of margarine and compound fats continued to decline, being supplanted by lower priced substitutes. Use of lard in the manufacture of margarine and compound fats has actually declined from the 1964 high of 258 million pounds to 51 million in 1968 and is likely to approximate only 25 million to 30 million for 1969. The huge world supplies of low-priced palm oil has almost completely replaced lard in the manufacture of compound fats.

The U.S. share of the British market declined once again to 29 percent, compared with 39 percent in 1967, 29 percent in 1966, and the 1964 high of 89 percent. The EC export subsidy alone prevented the United States from recapturing its fair normal share of the British market in 1968 even with abundant and reasonably priced supplies available for export. With the current export payment program in effect, it is likely that the U.S. share will exceed 50 percent during 1969.

Outlook for Trade. World trade in lard during 1969 is expected to show a small gain over that in 1968 because of larger export availabilities at the beginning of the year. The gain over the previous year occurred during the first half of 1969. Supplies available for export will be down during the second half of 1969. Further strengthening in the market price for lard over the normal seasonal rise in the early fall is contingent upon the export payment programs of the world's two largest exporters of lard.

Table 1.--Lard: Estimated production for specified countries,
average 1961-65, annual 1966-68

Lard: Estimated production for specified countries,
average 1961-65, annual 1966-68

Continent and country	Average				^{1/}
	1961-65	1966	1967	1968	Million pounds
North America:					
Canada.....	127	114	137	130	
United States.....	2,397	1,929	2,076	2,062	
Mexico.....	130	139	144	146	
Total North America ^{2/}	2,680	2,210	2,390	2,370	
South America:					
Argentina.....	58	77	70	62	
Brazil.....	197	220	202	198	
Chile.....	15	16	17	---	
Colombia.....	14	13	13	---	
Paraguay.....	8	9	9	---	
Peru.....	14	14	14	13	
Venezuela.....	9	10	10	11	
Total South America ^{2/}	320	360	340	330	
Europe:					
Western:					
EEC:					
Belgium and Luxembourg.....	41	49	57	64	
France.....	153	168	181	183	
Germany, West.....	569	596	621	677	
Italy.....	44	45	45	47	
Netherlands.....	33	39	42	47	
Total EEC.....	840	897	946	1,018	
Austria.....	79	70	71	71	
Denmark.....	79	87	88	88	
Portugal.....	20	19	20	22	
Spain.....	23	31	35	---	
Sweden.....	14	15	15	---	
Switzerland.....	19	22	21	---	
United Kingdom.....	22	24	24	22	
Total Western Europe ^{2/}	1,120	1,190	1,240	1,320	
Eastern:					
Bulgaria.....	68	---	---	---	
Czechoslovakia.....	187	198	---	---	
Germany, East.....	263	316	325	---	
Hungary.....	156	161	---	---	
Poland.....	489	549	536	---	
Yugoslavia.....	162	158	170	176	
Total Eastern Europe ^{2/}	1,330	1,470	1,480	1,480	
Total Europe ^{2/}	2,450	2,660	2,720	2,800	
USSR.....	1,560	1,860	1,860	1,860	
Africa:					
South Africa, Republic of.....	19	23	20	23	
Total Africa ^{2/}	20	30	20	30	
Asia:					
China, Taiwan.....	68	84	97	112	
Japan.....	117	200	225	204	
Philippines.....	81	105	112	110	
Total Asia ^{2/}	270	420	470	470	
Total World ^{2/}	7,310	7,560	7,820	7,880	

^{1/} Preliminary. ^{2/} Includes an allowance for any missing data for countries shown and minor producing countries not shown.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign government, other foreign source materials, reports of U.S. Agricultural Attachés and Foreign Service Officers, results of office research and related information.

Table 2.--Lard: World exports, U.S. exports, and U.S. production,
average 1961-65, annual 1966-68

Year	Estimated world exports	United States			
		Exports	as percent of world exports	Pro- duction	Exports as percent of production
		Million pounds	Million pounds	Percent	Million pounds
Average:					
1961-65.....	850	462	54	2,396	19
Annual:					
1966.....	670	158	24	1,929	8
1967.....	780	189	24	2,076	9
1968 1/.....	810	175	22	2,062	8

1/ Preliminary.

Table 3.--Lard: Exports from specified countries,
average 1961-65, annual 1966-68

Country	Average	1966	1967	1968	1/
	1961-65				Million pounds
United States.....	462	158	189	175	
Netherlands 2/.....	121	73	77	100	
USSR 3/.....	48	76	163	99	
France.....	83	86	90	95	
Italy.....	11	18	13	80	
Belgium and Luxembourg 4/....	28	42	48	68	
Romania 3/.....	2	40	46	37	
Germany, West.....	4	9	17	37	
Argentina.....	14	25	24	3/	29
Bulgaria 3/.....	16	36	41		26
Denmark.....	32	35	31		25
Poland 3/.....	18	60	35		13
Sweden.....	6	6	5	3/	8
Other countries.....	5	6	1		18
Total.....	850	670	780	810	

1/ Preliminary. 2/ Includes lard processed from imported hog grease.

3/ Oil World. 4/ Includes hog grease.

Table 4.--Lard: Imports into specified countries,
average 1961-65, annual 1966-68

Country	Average		1967	1968	<u>1/</u>
	1961-65	1966			
	Million pounds	Million pounds			
United Kingdom.....	483	409	414	427	
Cuba 2/.....	90	99	115	88	
Belgium and Luxembourg 3/...	36	49	45	67	
Netherlands.....	2	2	9	31	
Canada.....	21	28	24	<u>2/</u> 28	
Mexico.....	8	4/ 15	4/ 15	4/ 24	
Bolivia.....	2/ 17	26	5/ 20	5/ 24	
Yugoslavia 2/.....	9	5	24	19	
Hungary 2/.....	30	16	61	17	
Germany, West.....	37	14	14	11	
Japan.....	15	8	7	5	
Hong Kong.....	9	4	5	5	
Peru.....	18	3	2	3	
Czechoslovakia.....	26	31	30	<u>6/</u> 30	
Chile.....	17	18	19	<u>6/</u> 20	
USSR.....	27	6	3	---	
Other countries.....	25	17	43	31	
Total.....	870	750	850	830	

1/ Preliminary. 2/ Oil World. 3/ Includes hog grease. 4/ U.S. exports.
5/ From principal exporting countries. 6/ FAS estimate.

Table 5.--Lard (including rendered pork fat): U.S. exports by country
of destination, average 1961-65, annual 1966-68

Country of destination	Average		1967	1968	<u>1/</u>
	1961-65	1966			
	Million pounds	Million pounds			
United Kingdom.....	363	100	134	106	
Mexico.....	10	15	16	24	
Canada.....	17	19	17	21	
Haiti.....	7	7	6	6	
British Honduras.....	2	3	3	3	
Panama.....	3	2	2	2	
Peru.....	2	1	2	2	
Germany, West.....	15	3	4	1	
Belgium.....	1	2	2	<u>2/</u>	
Japan.....	1	1	1	<u>2/</u>	
El Salvador.....	1	2/	2/	<u>2/</u>	
Bolivia.....	6	2/	2/	<u>2/</u>	
Other countries.....	3/ 34	5	2	10	
Total.....	462	158	189	175	

1/ Preliminary. 2/ Less than 500,000 pounds. 3/ Includes 8.5 million pounds to Cuba, 5.9 to Yugoslavia, 3.4 to Czechoslovakia and 3.9 to Brazil.

Table 6.--Lard: French exports by country of destination,
average 1961-65, annual 1966-68

Country of destination	Average				^{1/}
	1961-65		1966	1967	
	Million pounds	Million pounds	Million pounds	Million pounds	
United Kingdom.....	41	66	59	63	
Belgium and Luxembourg.....	23	10	11	19	
Reunion.....	5	5	5	4	
Cuba.....	2	1	3	4	
Germany, West.....	4	2/	2/	2/	
Hungary.....	2	1	6	---	
Other countries.....	6	3	6	5	
Total.....	83	86	90	95	

^{1/} Preliminary. ^{2/} Less than 500,000 pounds.

Table 7.--Lard ^{1/}: Netherlands exports by country of destination,
average 1961-65, annual 1966-68

Country of destination	Average				^{2/}
	1961-65		1966	1967	
	Million pounds	Million pounds	Million pounds	Million pounds	
United Kingdom.....	6	21	38	45	
Bolivia.....	9	14	13	24	
Japan.....	14	6	6	9	
Chile.....	3	3	4	6	
Belgium and Luxembourg.....	1	2	1	5	
Germany, West.....	13	2	3	2	
Hong Kong.....	6	2	2	2	
Portugal.....	2	3	4	1	
Cuba.....	36	17	2	---	
Peru.....	14	3/	3/	3/	
Hungary.....	7	3/	---	---	
Other countries.....	10	3	4	6	
Total.....	121	73	77	100	

^{1/} Includes lard processed from imported hog grease. ^{2/} Preliminary.

^{3/} Less than 500,000 pounds.

Table 8.--Lard 1/: Belgium and Luxembourg exports by country of destination, average 1961-65, annual 1966-68

Country of destination	Average				^{2/} Million pounds
	1961-65	1966	1967		
	Million pounds	Million pounds	Million pounds		
United Kingdom.....	18	38	33		49
Netherlands.....	3/	---	---		10
Germany, West.....	3	---	6		---
Cuba.....	7	---	5		---
Other countries.....	---	4	4		9
Total.....	28	42	48		68

^{1/} Includes leaf lard and hog grease. ^{2/} Preliminary. ^{3/} Less than 500,000 pounds.

Table 9.--Lard: West German exports by country of destination, average 1961-65, annual 1966-68

Country of destination	Average				^{1/} Million pounds
	1961-65	1966	1967		
	Million pounds	Million pounds	Million pounds		
Netherlands.....	1	2/	3		16
United Kingdom.....	2/	4	6		10
Belgium and Luxembourg.....	2	5	6		8
Other countries.....	1	---	2		3
Total.....	4	9	17		37

^{1/} Preliminary. ^{2/} Less than 500,000 pounds.

Table 10.--Lard: Danish exports by country of destination, average 1961-65, annual 1966-68

Country of destination	Average				^{1/} Million pounds
	1961-65	1966	1967		
	Million pounds	Million pounds	Million pounds		
United Kingdom.....	17	28	22		21
Germany, West.....	4	4	4		2/
Hungary.....	5	---	2		2/
Poland.....	2	---	1		2/
Czechoslovakia.....	2	3/	---		2/
Other countries.....	2	3	2		1
Total.....	32	35	31		25

^{1/} Preliminary. ^{2/} If any, included in other countries. ^{3/} Less than 500,000 pounds.

Table 11.--Lard: USSR exports by country of destination,
average 1961-65, annual 1966-68

Country of destination	Average		1/	
	1961-65	1966		
	Million pounds	Million pounds		
Cuba.....	30	45	72	---
Czechoslovakia.....	6	27	23	---
Others.....	12	4	68	---
Total.....	48	76	163	2/ 99

1/ Preliminary. 2/ Breakdown by country of destination not available.

Source: Oil World.

Table 12.--Lard: United Kingdom imports by country of origin, average 1961-65, annual 1966-68

Country of origin	Average		1/	
	1961-65	1966		
	Million pounds	Million pounds		
United States.....	374	119	163	124
Belgium.....	34	102	93	117
Italy.....	4	16	1	52
France.....	24	17	16	34
Netherlands.....	8	22	27	33
Romania.....	1	37	43	30
Denmark.....	17	28	22	20
Sweden.....	4	5	4	7
Germany, West.....	7	11	13	5
Switzerland.....	2/	4	1	2
Poland.....	8	40	22	2/
Bulgaria.....	2/	4	8	2/
Other countries.....	2	4	1	3
Total.....	483	409	414	427

1/ Preliminary. 2/ Less than 500,000 pounds.

Table 13.--Lard: EEC imports by country of origin,
average 1961-65, annual 1966-68 1/

Country of origin	Average 2/			
	1961-65	1966	1967	1968
	Million pounds	Million pounds	Million pounds	Million pounds
Germany, East.....	2	6	6	14
Denmark.....	5	6	5	6
Switzerland.....	1	1	2	6
United States.....	8	3	5	2
USSR.....	---	---	---	1
Romania.....	3/	5	1	3/
Other countries.....	5	6	5	6
Total.....	21	27	24	35

1/ Excludes intra-trade among member countries. 2/ Preliminary. 3/ Less than 500,000 pounds.

Table 14.--Lard: EEC exports by country of destination,
average 1961-65, annual 1966-68 1/

Country of destination	Average 2/			
	1961-65	1966	1967	1968
	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom.....	73	144	141	231
Bolivia.....	9	14	13	24
Japan.....	14	6	6	9
Chile.....	3	3	4	6
Cuba.....	45	19	11	5
Hong Kong.....	6	2	2	2
Portugal.....	3	3	4	1
Peru.....	14	3/	3/	3/
Hungary.....	10	1	6	-
Other countries.....	20	17	25	29
Total.....	197	209	212	307

1/ Excludes intra-trade among member countries. 2/ Preliminary. 3/ Less than 500,000 pounds.

Table 15.--Lard: Supply and distribution in the United Kingdom,
average 1961-65, annual 1966-68

Item	Average				^{1/}
	1961-65		1966	1967	
	Million pounds	Million pounds	Million pounds	Million pounds	
<u>Supply:</u>					
Domestic production.....	22.7	23.7	24.4	24.8	
Imports.....	480.9	408.6	414.2	427.0	
Total.....	503.6	432.3	438.6	451.8	
<u>Distribution:</u>					
Use in margarine and compounds.....	169.7	72.4	58.7	51.1	
Exports.....	---	---	---	---	
Consumption.....	329.2	368.4	372.3	391.3	
Stock change.....	+ 4.7	- 8.5	+ 7.6	9.4	
Total.....	503.6	432.3	438.6	451.8	

^{1/} Preliminary.

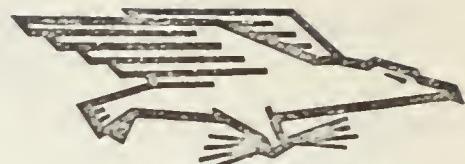
Table 16.--Principal foreign suppliers percentage share of total U.K. imports, average 1961-65, annual 1966-68

Supplier	Average				^{1/}
	1961-65		1966	1967	
	Percent	Percent	Percent	Percent	
;					
United States.....	76.7	29.0	39.4	29.0	
EEC.....	16.5	41.0	36.0	56.4	
Others.....	6.8	30.0	24.6	14.6	
Total.....	100.0	100.0	100.0	100.0	

^{1/} Preliminary.

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